

Interest Rate Sneaking Up

By L. MILTON ISBELL
President, Torrance-Lomita
Board of Realtors

With home mortgage interest rates hovering near the 7 per cent mark and little prospect for easing, home buyers have had to take a realistic look at the actual effect of an interest rate hike.

When they get out their pencil or discuss it with a Realtor or even a lending institution, they find that the difference in monthly payments between a 6½ per cent loan and a 7 per cent loan for 25 years is 32 cents per \$1,000. Between 6½ per cent loan and a 7½ per cent loan, is 64 cents per \$1,000.

THE MONTHLY payment to pay off a mortgage of \$15,000 over a 25 year period at 6½ per cent is \$101.28. It rises by \$4.80 to \$106.08 for a 7 per cent loan, by \$9.60 to \$110.85 for a 7½ per cent loan. These figures do not include taxes and insurance, of course.

Many a person considering buying a home has been surprised by the smallness of the dollar increase. Since mortgages have stayed for so many years in the 5-6 per cent range, its easy to hunt a bogey man in increasing interest rates. He's grown, but he isn't a bogey man yet.

A PERSONAL loan at 3 per cent on the unpaid balance figures out to 36 per cent as an annual rate. Buying a new car with a 6 per cent add-on note

comes to 12 per cent as an annual rate; a department store carrying charge of 1½ per cent on the unpaid balance comes to 18 per cent. When you make these comparisons, a 7 per cent home mortgage becomes a much better bargain.

There are other comparisons that could be made: the rise in the cost of living, the increase in personal income, rising charges of other kinds.

This caution over interest rates is not only being practiced by some families who are thinking about buying their first home. Some who already have a home with a mortgage and need more room, a different location, or just want to change for a number of reasons are looking at the old mortgage interest rate and saying: "You

just don't find bargains like these days. We had better hang on to it."

THEY MAY be right in their circumstances if the difference would actually cause a hardship or cut down on other uses for income the family finds more important. Usually that isn't the case.

A home with a 5 per cent interest rate was probably bought some 10 years ago. If it's typical of California real estate, the house has increased in value considerably over its selling price at the time the mortgage was arranged. That increase will probably more than take care of any increase in house payments because of a higher interest rate.

buyer considers mortgage interest rates as realistically as possible, without giving them more importance than they deserve, they become just another expense. Prospects for that expense going down dramatically are as slight as they are for prices of other commodities.

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MAP PLANS . . . Leaders of the Woodcraft Rangers discuss arrangements for the group's annual Sustaining membership campaign, now under way, during a planning session held last week. Pictured are (from left) Esther Butler of West Los Angeles, Neil K. Roth of Lawndale, and Cecil Gray of Carson. Gray is chairman of the drive in the Harbor area.

... Let's Go
By LARRY MACARAY

(Editor's Note: This is the first of several guest columns which David Macaray, son of Press-Herald columnist Larry Macaray, will write. David, a member of the Peace Corps is now assigned in Punjab State, India.)

By DAVID MACARAY

MAILA AT MOKTSAR — In Punjab, the flat, fertile frontier province of northwest India, Sikhism is the dominant religion, Punjabi the recognized state language, and wheat farming the regular and highly successful vocation of men. Last harvest season, Punjab had the biggest bumper wheat crop in the history of India, making it again the most affluent state in the country.

Each year in January, thousands of tall, bearded and turbaned Sikh farmers bring their bullock carts and bicycles in to the plains city of Moktsar, 20 miles from the Pakistan border, for the annual Horse and Livestock "Maila" (fair), the wildest, most anticipated rural carnival of the year.

Everything, it seems, that should be at a Hindu country fair is present at the Moktsar Maila, including machinery and livestock exhibitions, games, side shows — troupes of minstrel eunuchs dressed as women, Afghan camels, Arabian ponies, exhibits of late model Soviet made tractors, a ferris wheel, peep show, and electric spring grip-strength tester.

IN THE auction arena, there was a crowd of several hundred farmers filtering through the animals in the stalls, inspecting the hooves and teeth of water buffalos, horses and mules. Occasionally, a small group of on-lookers would scatter when the camel they were appraising became excited and kicked its foot through the wooden partition of the stall.

Most of the farmers came to Moktsar armed, some rather heavily. One old villager, flanked by his two huge sons,

Anderson Asks Aid For Boats

Congressman Glenn M. Anderson (D-17th District) has called for the shelling and capture of American fishing boats off the coast of Peru as "one of many such unconscionable acts of South American governments."

Anderson also noted he has introduced legislation to create an independent federal Maritime Administration which could handle such cases as the seizure of American boats.

The congressman said he believes the President and the Secretary of State should take immediate action to secure release of the captured vessel.

Two vessels were fired on and one was captured by Peruvian gunboat some 50 miles off the coast of Peru.

New Flu Epidemic Unlikely

Sporadic cases of Type B flu could occur in Los Angeles County, but a massive county-wide infection similar to the recent Hong Kong influenza outbreak is not likely, County Health Officer Dr. Gerald A. Heidbreder, said today. "At present there is no indication of B influenza in our county," he added.

"I have learned from the State Department of Public Health that there is one proven outbreak in Walnut Creek. It has been confirmed by laboratory tests as Influenza Type B," Dr. Heidbreder said. This incidence was reported at a Walnut Creek school where a 30 to 40 per cent absence rate was reported.

In addition, the State Department of Public Health reports Type B flu has been confirmed in four other states during the last several weeks. These states are Iowa, Kansas, Florida and Washington.

While there could be sporadic outbreaks in Los Angeles County, the possibility of epidemic proportions is highly unlikely for several reasons, Dr. Heidbreder said. There were considerable outbreaks in the State in 1961 and relatively minor local occurrences of B influenza in 1966-67. It is entirely possible that considerable immunity has been built up by people who were in contact with the disease at that time.

COLLECTIVE BARGAINING

The Bureau of Labor Statistics says settlements were concluded last year for at least 4.5-million of the 10.7-million workers covered by major collective bargaining agreements. The bureau added all measures of change in wages and benefits expenditures resulting from these settlements were larger than in preceding years.

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